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County of Tulare

Board Agenda 3/28/78



*Legislation
Jarvis Gann*
JAMES E. WILLIAMS
COUNTY EXECUTIVE

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VISALIA, CALIFORNIA 93277

March 24, 1978

Board of Supervisors
County of Tulare
Courthouse
Visalia, CA 93277

SECOND REPORT ON EFFECTS OF JARVIS/GANN INITIATIVE ON THE TULARE COUNTY BUDGET

Attached for your Board's review is a Report on the impact Jarvis/Gann will have on the Tulare County Budget and recommendations for your Board's consideration on how these reductions could be accomplished.

After your Board's review and adoption, we will ask the Department Heads to begin preparation of alternate budgets.

IT IS RECOMMENDED THAT YOUR BOARD:

Schedule a Study Session to review the Report as soon as possible.

COUNTY EXECUTIVE

Thomas H. McCorkill

THOMAS H. MCCORKILL
Administrative Analyst

Attachment

THM:pl
CC: Each Supervisor

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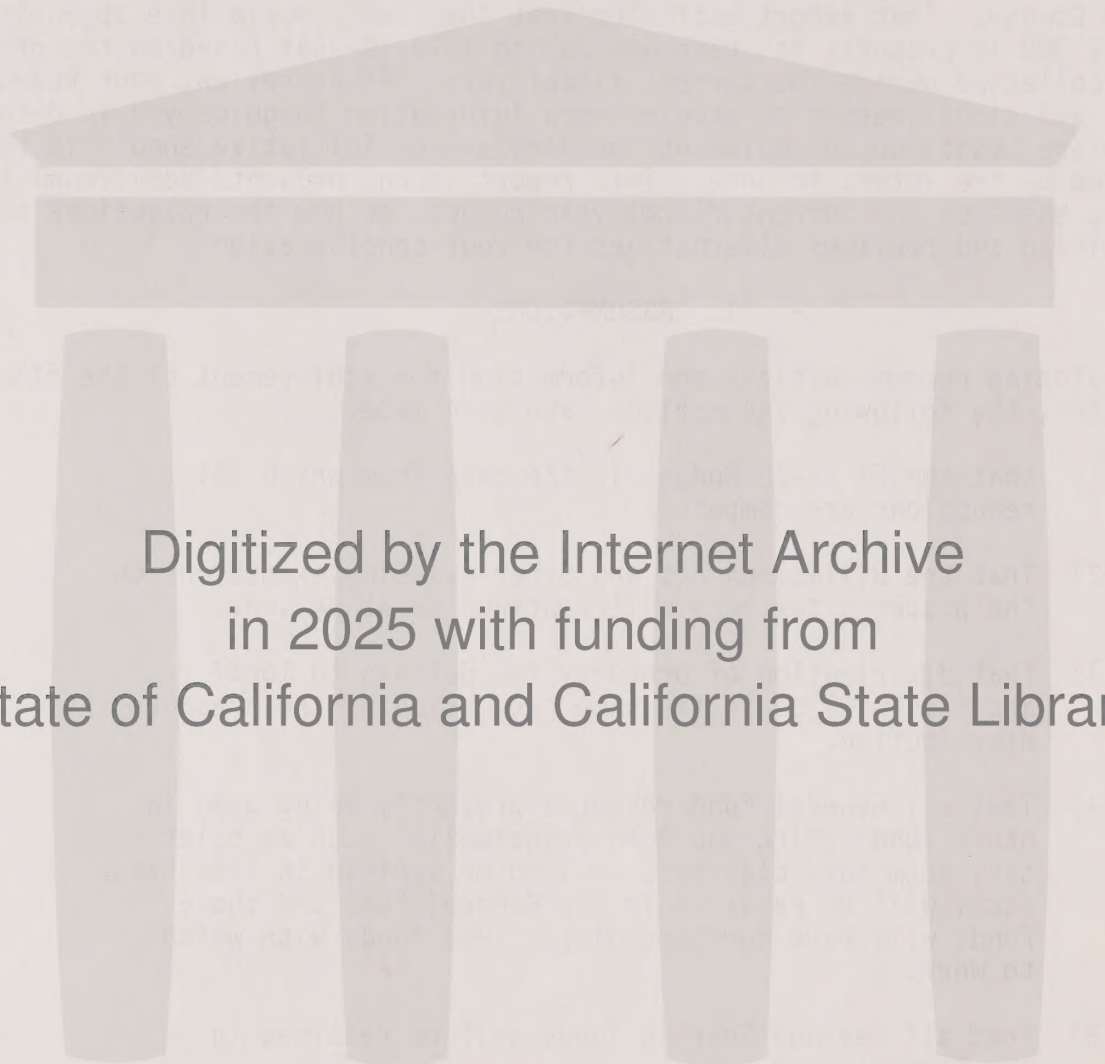
SECOND REPORT ON EFFECTS OF JARVIS-GANN INITIATIVE ON THE TULARE COUNTY BUDGET

In our preliminary analysis of the Jarvis-Gann Initiative presented to your Board on February 21, 1978 we pointed out the effect this initiative would have upon the County government and all other public jurisdictions within Tulare County. That report estimated that the County would lose approximately \$15,431,000 in property tax revenues during 1978-79--64% based on the property taxes collected during the current fiscal year. After review, your Board asked for an additional report to provide more information to guide you in determining how Tulare County could implement the Jarvis-Gann Initiative should it be approved by the voters in June. This report, then, presents additional information, based on the current fiscal year budget, on how the reductions could be achieved and provides alternatives for your consideration.

I. ASSUMPTIONS

In developing recommendations and information for achievement of the \$15,431,000 reduction, the following assumptions have been made.

- (1) That the FY 77-78 Budget is the base from which all reductions are computed.
- (2) That the Williamson Act and other existing exemptions on the property tax base will continue as at present.
- (3) That distribution of property tax dollars to local agencies will be in the same proportion as the present distribution.
- (4) That all General Fund revenues presently being used in other funds (Fire and Road principally) such as sales tax, room tax, cigarette tax, motor vehicle in lieu tax, etc., will be retained in the General Fund and those Funds will have correspondingly less funds with which to work.
- (5) That all Revenue Sharing funds will be retained in the General Fund.
- (6) That no new State revenues will be available for Fiscal Year 78-79, but if new State funds become available, the plan will be modified accordingly.
- (7) That all offices, agencies, or departments charging fees for services will (to the maximum level legally permissible,) adjust these fees to recover total operating costs.
- (8) That any CETA revenue reductions would be offset by CETA expenditure reductions, ie., reduction in positions.



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- (9) That General Services and Data Processing will reduce their budgets by amounts equal to the reduction in departmental budgets for services provided by those two Working Capital funds.
- (10) That no salary increases and no salary step increases will be granted for FY 78-79.
- (11) That more aggressive collection policies, will be adopted to maximize collection of accounts.
- (12) That Revenue Sharing adjustments will not occur until Fiscal Year 79-80.
- (13) That impact of Jarvis-Gann on other property tax related collections, ie., unsecured properties and delinquent property collections, will not occur until FY 79-80.

II. RECAPITULATION OF IMPACT ON FUNDS RECEIVING PROPERTY TAXES

Three funds are most affected by this initiative: the Library Fund, the Fire Fund, and the County General Fund, though the Road Fund, Working Capital and Enterprise Funds are also impacted. As pointed out earlier, it will be necessary to reduce each of those receiving property tax revenues by an amount equal to approximately 64% of the secured property tax revenues as illustrated in the following:

<u>Fund</u>	<u>Current Year Property Tax Collection</u>	<u>64.04% Reduction Required for Jarvis</u>	<u>Amount Remaining for Use in 1978-79 Budget</u>
Library	\$1,068,000	\$684,000	\$384,000
Fire (Property Tax Portion Only)	814,000	521,000	293,000
General	<u>22,216,000</u>	<u>14,226,000</u>	<u>7,990,000</u>
	\$24,098,000	\$15,431,000	\$8,667,000

Combined with the other revenues currently received, this reduction would leave the Library Fund with approximately \$752,000 - about 50% of its current operating budget, and the Fire Fund with about \$632,000 - 15% of its current budget. While these are drastic reductions, both are optional services and sufficient funds to maintain minimum services would remain.

The Road Fund would lose approximately 20% of its revenue, based on retention of the Motor Vehicle In-lieu tax in the General Fund.

III. RECOMMENDED APPROACH TO ACHIEVING THE NECESSARY REDUCTIONS

In developing recommendations for your Board's consideration on how to achieve the necessary budgetary reductions in the General Fund that would be required by the Jarvis-Gann Initiative the County Executive staff has used two approaches.

First, we have attempted to identify all areas where revenue and expenditure adjustments could be made. Second, we have reviewed all budget units to determine the feasibility of reductions and these have been presented at alternate levels of dollars for your consideration in achieving the balance of the savings necessary.

A. MAJOR REVENUE/EXPENDITURE ADJUSTMENTS

The following adjustments in Revenue/Expenditure patterns are within the authority of the Board of Supervisors and should be considered the highest priorities for adjustments to achieve the necessary \$15,431,000 reductions. It should be pointed out that in some cases these savings may not be as great in future years as for the first year, however, it is felt that retaining this money for use in general operating expense for the next fiscal year is a sound and logical approach to achieving the necessary reductions. These adjustments are as follows:

1. Eliminate capital projects currently funded by Revenue Sharing and General Fund monies.	\$1,846,000
2. Allocate all other Revenue Sharing to the General Fund.	529,000
3. Retain the Motor Vehicle In Lieu Tax in the General Fund rather than allocating it to the Road Fund.	1,811,350
4. Retain sales tax, transient occupancy tax, and cigarette tax in the General Fund rather than allocating it to the Fire Fund.	2,214,000
5. Freeze salaries of all employees at the present level (July 1, 1978) by deleting all future step advances.	727,000
6. Reduce future contributions to insurance trust funds to an amount equal to annual loss experience.	300,000
7. Increase departmental fees to totally offset operating costs (building inspection, sanitary landfill, etc.)	1,169,000
8. Reduce general County expenditures in departments largely financed with Federal and State funds (Welfare) by a maximum percentage of 27.5%.	457,000
9. Reduce Contingency Reserve	<u>500,000</u>
TOTAL	\$9,553,350

B. BUDGET UNIT ADJUSTMENTS

If the above adjustments are effected, then the balance to be taken from other General Fund operations is \$5,877,650. The attached table illustrates

the dollar reductions that can be achieved at various levels of service in County budget units. From these figures enough reductions to achieve \$5,877,650 must be made to balance the anticipated tax loss.

For your Board's convenience in reviewing these figures and determining where reductions should be made, the information is provided in the following manner: First, departments are grouped under major functional headings. Second, within these major functional headings the departments are divided between those which have a State or Federal mandate, but for which the level of service is determined by the local governing body; and those which are optional services at the discretion of the local governing body. Third, within each of these departments, the current County budget figure, the net County cost figure,¹ and the savings that could be achieved if net County costs were reduced by 10%, 20%, 25% or 30%. Lastly, the currently authorized number of personnel is shown as an indication of the potential number of positions that might be impacted.

The services provided by the departments in Tables I through V have a total current budget of \$34,870,464 and a net County cost of \$23,450,102. The \$5,877,650 would have to be selected by some combination of reductions within the \$23,450,102 available, and should be selected so that like, or related functions, are reduced comparably (especially the criminal justice functions). Table VI presents a Recapitulation of the Functions displaying mandated versus optional services and illustrates that even total elimination of optional services would not achieve the reductions required.

¹Net County Cost is the balance of general funds that must be used after allowing for Departmental revenues from fees, charges, grants, contributions, CETA, etc.

TABLE I-A

FUNCTIONAL AREA: General Government

Budget No. / Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation	
				30%	25%	20%	10%	f. t.	p. t.
<u>Mandated, Optional Service Level</u>									
1001	Board of Supervisors	\$ 929,080	\$ 311,000	\$ 93,300	\$ 77,750	\$ 62,200	\$ 31,100	4	5
1101	Auditor-Controller	616,891	547,000	164,100	136,750	109,400	54,700	30	
1102	Treasurer-Tax Collector	484,445	456,000	136,800	114,000	91,200	45,600	20	
1103	Assessor	1,443,194	1,376,000	412,800	344,000	275,200	137,600	72	
1201	County Counsel	495,792	420,000	126,000	105,000	84,000	42,000	16	1
1401	Elections	423,942	354,000	106,200	88,500	70,800	35,400	10	
1903	Retirement Board	10,373	10,000	3,000	2,500	2,000	1,000		
1907	Surveyor	319,527	121,000	36,300	30,250	24,200	12,100	8	
Subtotal		\$4,723,244	\$3,595,000	\$1,078,500	\$ 898,750	\$ 719,000	\$ 359,500	160	

TABLE I-B

FUNCTIONAL AREA: General Government

Budget No./Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation	
				30%	25%	20%	10%	f.t.	p.t.
Optional Services									
1002	County Executive	\$ 238,559	\$ 213,000	\$ 63,900	\$ 53,250	\$ 42,600	\$ 21,300	9	1
1105	Purchasing	128,183	119,000	35,500	29,750	23,800	11,900	7	
1301	Personnel	638,185	460,000	138,000	115,000	92,000	46,000	31	1
1801	Chamber of Commerce	157,617	88,000	26,400	22,000	17,600	8,800	3	2
1902	Insurance	15,038	15,000	4,500	3,750	3,000	1,500		
1909	Bureau of Delinquent Accounts	11,425	11,000	3,300	2,750	2,200	1,100	6	
1910	Cross Valley Canal	94,672	38,000	11,400	9,500	7,600	3,800		
Subtotal		\$1,283,679	\$ 944,000	283,200	\$ 236,000	\$ 188,800	\$ 94,400	56	
GENERAL GOVERNMENT TOTAL		\$6,006,923	\$4,539,000	\$1,361,700	\$1,134,750	\$ 907,800	\$ 453,900	216	

TABLE II-A

FUNCTIONAL AREA: Public Protection

Budget No. / Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation	
				30%	25%	20%	10%	f. t.	p. t.
<u>Mandated, Optional Service Level</u>									
2001	Clerk-Recorder	701,835	136,000	40,800	34,000	27,200	13,600	41	
2002	District Attorney	1,251,126	1,183,000	354,900	295,750	236,600	118,300	51	2
2005	Grand Jury	49,260	49,260	14,778	12,315	9,852	4,926		
2006	Trials Expense	125,000	125,000	37,500	31,250	25,000	12,500		
2007	Public Defender	695,586	658,000	197,400	164,500	131,600	65,800	27	
2101	Sheriff-Coroner	7,521,066	7,000,326	2,100,000	1,750,000	1,400,000	700,000	277	3
2203	Probation	\$1,420,797	1,145,000	343,500	286,250	229,000	114,500	73	
2204	Juvenile Hall	625,202	604,000	181,200	151,000	120,800	60,400	26	
2206	State Correctional Schools	6,500	6,100	1,830	1,525	1,220	610		
2401	Flood Control	330,600	0	0	0	0	0		
2501	Agricultural Commissioner	1,373,461	1,013,000	303,900	253,250	202,600	101,300	52	
2503	Weights & Measures	234,512	224,000	67,200	56,000	44,800	22,400	11	
2602	Public Guardian	42,512	28,425	8,500		5,700	2,800	4	
2606	Emergency Services	58,473	36,834	11,000	9,200	7,400	3,700	2	
2608	Planning	805,145	620,000	186,000	155,000	124,000	62,000	36	
2612	Local Agency Formation Comm.	14,634	14,634	4,390	3,700	2,927	1,500		
Subtotal		\$15,255,709	\$12,843,579	\$3,852,898	3,203,740	\$2,568,699	\$1,284,336		

TABLE II-B

FUNCTIONAL AREA: Public Protection

Budget No. / Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation	
				30%	25%	20%	10%	f. t.	p. t.
Optional Service									
2003	Family Support	\$ 718,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43	
2205	Youth Center	434,959	283,000	84,900	70,750	56,600	28,300	17	1
2207	Probation - Special Supv.	276,393	16,000	4,800	4,000	3,200	1,600	12	
2620	Senior Citizens	118,700	15,678	4,700	4,000	3,100	1,600	3	
2621	Commission on Aging	11,362	11,362	3,400	2,800	2,300	1,100		1
2623	Senior Transportation	43,558	0	0	0	0	0	11	
2625	Manpower	199,995	0	0	0	0	0	16	
2627	Senior Nutrition Project	245,797	0	0	0	0	0	21	
Subtotal		\$2,049,462	\$ 326,040	\$ 97,800	\$ 81,550	\$ 65,200	\$ 32,600	123	

TABLE 11-C

FUNCTIONAL AREA: Public Protection

Budget No./ Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation	
				30%	25%	20%	10%	f. t.	p. t.
<u>Mandated with Level of Service Adjustment Requiring Legislation</u>									
2010	Superior Courts	459,199	394,349	118,300	98,500	78,900	39,500		
2011	Dinuba Justice Court	134,244	134,224	40,200	33,556	26,800	13,400	7	
2012	Exeter-Farmersville Justice Ct.	80,675	80,675	24,200	20,168	16,135	8,068	4	
2013	Lindsay Justice Court	54,376	54,376	16,200	13,600	10,800	5,400	3	
2018	Woodlake Justice Court	59,252	59,252	17,700	14,800	11,800	5,900	2	
2035	Porterville Municipal Court	\$ 304,903	294,820	88,400	73,700	59,000	29,500	13	
2036	Tulare-Pixley Municipal Ct.	303,911	303,911	91,200	76,000	60,800	30,400	14	
2037	Visalia Municipal Court	628,840	467,663	140,300	117,000	93,500	46,800	20	3
2110	Constables	59,857	59,857	18,000	15,000	12,000	6,000	4	
2135	Porterville Marshal	81,307	68,607	20,600	17,200	13,700	6,900	4	
2136	Tulare-Pixley Marshal	61,892	61,892	18,600	15,500	12,400	6,200	4	
2137	Visalia Marshal	88,217	88,217	26,400	22,000	17,600	8,800	5	
Subtotal		\$2,316,673	\$2,067,843	\$ 620,100	\$ 517,024	\$ 413,435	\$ 206,868	80	
PUBLIC PROTECTION TOTAL		\$19,621,844	\$15,237,462	\$4,576,798	\$3,802,314	\$3,047,334	\$1,523,804		

TABLE III

FUNCTIONAL AREA: Public Assistance

Budget No. / Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation
				30%	25%	20%	10%	f. t. p. t.
<u>Mandated Optional Service Level</u>								
5820	Aid to Victim of Crimes	1,000	1,000	300	250	200	100	
	Subtotal	1,000	1,000	300	250	200	100	
<u>Optional Services</u>								
5601	Veterans Services	\$ 82,810	\$ 65,810	\$ 19,800	\$ 16,500	\$ 13,200	\$ 6,600	5
5801	Community Action Program	651,985	71,981	21,600	18,000	14,400	7,200	23
5802	CAP Nutrition	84,407	0	0	0	0	0	5
5860	Commission on Status of Women	11,606	2,300	700	575	460	230	*
	Subtotal	830,808	140,091	42,100	35,075	28,060	14,030	33
	PUBLIC ASSISTANCE TOTAL	831,808	141,091	42,400	35,325	28,260	14,130	

TABLE IV

FUNCTIONAL AREA: Health

Budget No. / Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation	
				30%	25%	20%	10%	f.t.	p.t.
<u>Mandated, Service Level Optional</u>									
4101	Health	1,680,019	1,417,471	425,200	354,400	283,500	141,700	77	
4102	Mental Health	3,543,266	223,114	67,000	55,800	44,600	22,300	4	
4104	Drug Abuse	354,074	33,864	10,200	8,500	6,800	3,400		
4107	Child Health Disability	246,557	0	0	0	0	0	8	
4401	Crippled Children Service	520,929	124,619	37,500	31,154	25,000	12,500	10	
Subtotal		\$6,344,845	\$1,799,068	\$ 539,900	\$ 441,354	\$ 359,900	\$ 179,900	91	
<u>Optional Services</u>									
4105	Alcohol Detoxification	\$ 267,867	\$ 25,192	\$ 7,500	\$ 6,298	\$ 5,000	\$ 2,500	1	
4301	County Hospital Assistance	966,621	915,645	274,800	229,000	183,200	91,600		
Subtotal		\$1,234,488	940,837	282,300	235,298	188,200	94,100	1	
HEALTH TOTAL		\$7,579,332	\$2,739,905	\$ 822,200	\$ 676,652	\$ 548,100	\$ 274,000		

TABLE V

FUNCTIONAL AREA: Community Services, Education, Recreation

Budget No./ Department		Current Budget 77/78	Net County Cost	Savings by Net County Cost Reduction of				Personnel Allocation	
				30%	25%	20%	10%	f.t.	p.t.
<u>Optional Services</u>									
6201	Agricultural Extension	\$ 259,272	\$ 221,356	\$ 66,300	\$ 55,300	\$ 44,200	\$ 22,100	14	
7101	Parks and Museum	571,284	571,284	171,300	142,821	114,200	57,100		
	Subtotal	830,556	792,640	237,600	198,121	158,400	79,200		
	COMMUNITY SERVICES TOTAL	830,556	792,640	237,600	\$ 198,121	158,400	79,200		
	GRAND TOTAL	\$34,870,464	\$23,450,102	\$7,062,958	\$5,847,162	\$4,689,894	\$2,345,034		

TABLE VI

RECAPITULATION

<u>Mandated, Optional Service Level</u>	<u>Current Budget 77/78</u>	<u>Net County Cost</u>	<u>Savings by Net County Cost Reduction of</u>				<u>Personnel Allocation</u>	
			<u>30%</u>	<u>25%</u>	<u>20%</u>	<u>10%</u>	<u>f.t.</u>	<u>p.t.</u>
General Government	\$ 4,723,244	\$ 3,595,000	\$1,078,500	\$ 898,750	\$ 719,000	\$ 359,500	160	6
Public Protection	15,255,709	12,843,579	3,852,898	3,203,740	2,568,699	1,284,336	600	5
Public Assistance	1,000	1,000	300	250	200	100		
Health	<u>6,344,845</u>	<u>1,799,068</u>	<u>539,900</u>	<u>441,354</u>	<u>359,900</u>	<u>179,900</u>	<u>91</u>	<u>---</u>
Sub-Total	\$ 26,324,798	\$18,238,647	\$5,471,598	\$4,544,096	\$3,647,799	\$1,823,836	851	11
<u>Optional Services</u>								
General Government	\$ 1,283,679	\$ 944,000	\$ 283,200	\$ 236,000	\$ 188,800	\$ 94,400	56	4
Public Protection	2,049,462	326,040	97,800	81,550	65,200	32,600		
Public Assistance	830,808	140,091	42,100	35,075	28,060	14,030	33	
Health	1,234,488	940,837	282,300	235,298	188,200	94,100	1	
Community Services, Education, Recreation	<u>830,556</u>	<u>792,640</u>	<u>237,600</u>	<u>198,121</u>	<u>158,400</u>	<u>79,200</u>	<u>14</u>	<u>---</u>
Sub-Total	\$ 6,228,993	\$ 3,143,608	\$ 943,000	\$ 786,044	\$ 628,660	\$ 314,330	104	4
<u>Mandated With Level of Service Adjustment Requiring Legislation</u>								
Public Protection	\$ 2,316,673	\$ 2,067,843	\$ 620,100	\$ 517,024	\$ 413,435	\$ 206,868	80	3
GRAND TOTAL	\$ 34,870,464	\$23,450,102	\$7,034,698	\$5,847,162	\$4,689,894	\$2,345,034	1035	18

C. OTHER BUDGET UNIT ADJUSTMENTS

The previous Tables and discussions have excluded figures for consideration for the General Services, Data Processing, Hospital, Refuse Disposal, and Building Department. The latter two of these are considered as "fee" departments which would be made self-supporting, and the first two are "working capital" departments which would have to adjust their budgets based on reductions other Departments made in allocations to "buy" work from them. It is assumed these reductions would be somewhat in proportion to the overall reductions (approximately 25%) but this might not prove true.

The Hospital, as an Enterprise Fund, is intended to be self-supporting. Since the County contributions available would probably be reduced in accordance with Table IV then the Hospital would be impacted accordingly. Your Board would have to review the Hospital budget and determine the program and services that would be impacted and how remaining funds should be best utilized.

IV. RECOMMENDED ACTIONS FOR BALANCE OF CURRENT FISCAL YEAR

A. NEW HIRE FREEZE

As of March 15, there were 228 vacant positions in the County, of which approximately 50% are funded by General Fund monies and it is estimated that new vacancies occur at the rate of about 30 per month. Thus, if filling of new positions was frozen as of this date the County could save approximately \$300,000 in the General Fund during the balance of this fiscal year. This would also mean that on July 1, there would be approximately 290 vacant positions, or about one-third to one-half of the probable position reductions required should Jarvis-Gann initiative pass. Within these 290 positions there are some which would be critical to continue efficient operation of the County between now and July 1 and thus the freeze should permit your Board or the County Executive to fill these critical positions on an as required basis.

B. CAPITAL EXPENDITURE REQUEST

For the current fiscal year the County has over \$2,000,000 budgeted for capital expenses. Of this approximately \$1,000,000 remains unencumbered, ie., the projects for which the funds are allocated have not begun or are not completed. Should these projects and any other which are in various stages of consideration be delayed the County would achieve further savings.

BASED ON THE INFORMATION CONTAINED IN OUR ANALYSIS AND IN THIS REPORT
IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the establishment of the Revenue/Expenditure adjustments detailed in Section III. As the first priority for reductions under a Jarvis-Gann initiative budget.
2. Select from the Tables I-V, in Section III-B, your desires on the individual percentage reductions for each budget unit, or like group of units to achieve the remainder of the anticipated \$15,431,000 necessary to balance the County budget should the Jarvis-Gann initiative pass.
3. Direct County Department Heads to develop service impact statements for each service provided.

4. Direct County departments who charge or receive fees, for services to review those fees and to make recommendations to the County Executive by April 14 on increases in fees which would remove additional program cost from tax fund support.
5. Instruct and authorize the County Executive to fill vacant positions, in existence on this date and occurring during the balance of the fiscal year, only where the urgency of County operations dictates (Or make this decision yourself on an individual basis).
6. Wherever possible, delay discretionary spending until after our budget picture for fiscal year 1978-79 is more clearly defined. This would relate to building projects and other capital investments, except in those cases where such investments would result in considerable cost savings to the County or could be identified as being necessary even in the event of a substantial reduction in County spending.
7. Direct the County Executive Office to develop an alternate budget, based on Board of Supervisors direction as outlined above, for consideration by your Board in the event of passage of the Jarvis-Gann initiative.

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